

**FISCAL IMPACT--CONSTRUCTION
MARVEL GAMING LLC**

Construction period-months 24
Opening date Sept 2010

Proposer's Estimates: 2009-2010					
	<u>State</u>	<u>City of Wellington</u>	<u>Sumner County</u>	<u>Sedgwick County</u>	<u>Wellington Schools</u>
<u>REVENUE:</u>					
Gaming Rev. Sharing	\$ -	\$ -	\$ -	\$ -	\$ -
Property Tax	56,250	1,567,150	2,004,700	-	1,626,811
Sales/Use Tax	-	122,884	98,307	-	-
Income Tax	-	-	-	-	-
Developer Contributions	2,000,000	22,000,000	-	-	-
Total	\$ 2,056,250	\$ 23,690,034	\$ 2,103,007	\$ -	\$ 1,626,811
<u>COSTS:</u>					
Law Enforcement	\$ -	\$ 3,913,100	\$ -	\$ -	\$ -
Public Works	2,000,000	19,000,000	-	-	-
Education	-	-	-	-	-
Fire Protection/EMS	-	1,127,500	-	-	-
Total	\$ 2,000,000	\$ 24,040,600	\$ -	\$ -	\$ -
Surplus/(Deficit)	\$ 56,250	\$ (350,566)	\$ 2,103,007	\$ -	\$ 1,626,811
Voluntary Contributions to State and Local Governments (included above):					
1. Road/Street improvements estimated at \$2.0 million paid for by proposer (under State)					
2. Water/sewer improvements estimated at \$19.0 million paid for by proposer (under Wellington).					
3. 2-bay fire/ems/law enforcement substation built on-site; \$800K ladder truck; training tower built in community; total cost estimated at \$3.0 million, all paid for by proposer (under Wellington).					

Consultant's Estimates: 2009-2010					
	<u>State</u>	<u>City of Wellington</u>	<u>Sumner County</u>	<u>Sedgwick County</u>	<u>Wellington Schools</u>
<u>REVENUE:</u>					
Gaming Rev. Sharing	\$ -	\$ -	\$ -	\$ -	\$ -
Property Tax	156,337	5,181,952	5,882,342	-	6,255,050
Sales/Use Tax	7,972,848	1,880,389	1,504,311	-	-
Income Tax	6,048,756	-	-	-	-
Developer Contributions	2,000,000	22,000,000	-	-	-
Total	\$ 16,177,941	\$ 29,062,340	\$ 7,386,653	\$ -	\$ 6,255,050
<u>COSTS:</u>					
Law Enforcement	\$ -	\$ 1,485,260	\$ -	\$ -	\$ -
Public Works	2,000,000	2,715,023	-	-	-
Education	-	-	-	-	5,000,000
Fire Protection/EMS	-	1,469,347	-	-	-
Total	\$ 2,000,000	\$ 5,669,630	\$ -	\$ -	\$ 5,000,000
Surplus/(Deficit)	\$ 14,177,941	\$ 23,392,711	\$ 7,386,653	\$ -	\$ 1,255,050

Consultant's Comments:

1. Developers Contribution to State Public Works is \$2.0 million. As MBA's analysis does not estimate costs associated with this department, the analysis uses the costs provided by the developer.
2. Public works costs for City of Wellington include WasteWater, Street and Electrical department costs (see Consultant's Estimate).

**FISCAL IMPACT--12 MONTHS OPERATING
MARVEL GAMING LLC**

Proposer's Estimates-1st Full Year						
	<u>State</u>	<u>City of Wellington</u>	<u>Sumner County</u>	<u>Sedgwick County</u>	<u>Wellington Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 49,458,816	\$ 2,060,784	\$ 2,060,784	\$ 2,060,784	\$ -	
Property Tax	101,250	1,662,591	2,843,439	-	2,183,774	
Sales/Use Tax	-	307,210	245,768	-	-	
Income Tax	-	-	-	-	-	
Developer Contributions	-	-	-	-	-	
Total	\$ 49,560,066	\$ 4,030,585	\$ 5,149,991	\$ 2,060,784	\$ 2,183,774	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 697,000	\$ -	\$ -	\$ -	
Public Works	-	-	-	-	-	
Education	-	-	-	-	49,500	
Fire Protection/EMS	-	1,792,000	-	-	-	
Total	\$ -	\$ 2,489,000	\$ -	\$ -	\$ 49,500	
Surplus/(Deficit)	\$ 49,560,066	\$ 1,541,585	\$ 5,149,991	\$ 2,060,784	\$ 2,134,274	
Voluntary Contributions to Communities and Governments (not included above):						
1. Local community contributions in 1st year of operations of \$1.0 million.						
2. Sumner County economic growth fund, funded with 1.0% of GGR.						
3. Contribute \$2.3 million to Wellington Golf Club.						
4. Committed to program to provide employees with matching funds of 5% of down payment on house, not to exceed \$7,500.						

Consultant's Estimates: 1st Full Year						
	<u>State</u>	<u>City of Wellington</u>	<u>Sumner County</u>	<u>Sedgwick County</u>	<u>Wellington Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 31,810,920	\$ 1,325,455	\$ 1,325,455	\$ 1,325,455	\$ -	
Property Tax	115,275	3,820,893	4,337,323	-	4,612,138	
Sales/Use Tax	2,237,656	527,749	422,199	-	-	
Income Tax	2,291,112	-	-	-	-	
Developer Contributions	-	-	-	-	-	
Total	\$ 36,454,962	\$ 5,674,096	\$ 6,084,977	\$ 1,325,455	\$ 4,612,138	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 595,322	\$ 1,008,959	\$ -	\$ -	
Public Works	-	134,775	-	-	-	
Education	-	-	-	-	1,580,158	
Fire Protection/EMS	-	1,033,572	-	-	-	
Total	\$ -	\$ 1,763,669	\$ 1,008,959	\$ -	\$ 1,580,158	
Surplus/(Deficit)	\$ 36,454,962	\$ 3,910,428	\$ 5,076,018	\$ 1,325,455	\$ 3,031,979	

Consultant's Comments:

Marvel	GGR Estimate	\$ 217,333,855	Visitors/Day	8,250
Consultants'	GGR Estimate	\$ 132,545,500	Visitors/Day	4,955

FISCAL IMPACT--3 YEAR SUMMARY*
MARVEL GAMING LLC

* 2 Years Construction + 1 Year Operating

Proposer's Estimates						
	<u>State</u>	<u>City of Wellington</u>	<u>Sumner County</u>	<u>Sedgwick County</u>	<u>Wellington Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 49,458,816	\$ 2,060,784	\$ 2,060,784	\$ 2,060,784	\$ -	
Property Tax	157,500	3,229,741	4,848,139	-	3,810,585	
Sales/Use Tax	-	430,094	344,075	-	-	
Income Tax	-	-	-	-	-	
Developer Contributions	2,000,000	22,000,000	-	-	-	
Total	\$ 51,616,316	\$ 27,720,619	\$ 7,252,998	\$ 2,060,784	\$ 3,810,585	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 4,610,100	\$ -	\$ -	\$ -	
Public Works	2,000,000	19,000,000	-	-	-	
Education	-	-	-	-	49,500	
Fire Protection/EMS	-	2,919,500	-	-	-	
Total	\$ 2,000,000	\$ 26,529,600	\$ -	\$ -	\$ 49,500	
Surplus/(Deficit)	\$ 49,616,316	\$ 1,191,019	\$ 7,252,998	\$ 2,060,784	\$ 3,761,085	

Consultant's Estimates						
	<u>State</u>	<u>City of Wellington</u>	<u>Sumner County</u>	<u>Sedgwick County</u>	<u>Wellington Schools</u>	
<u>REVENUE:</u>						
Gaming Rev. Sharing	\$ 31,810,920	\$ 1,325,455	\$ 1,325,455	\$ 1,325,455	\$ -	
Property Tax	271,612	9,002,844	10,219,665	-	10,867,187	
Sales/Use Tax	10,210,504	2,408,138	1,926,510	-	-	
Income Tax	8,339,868	-	-	-	-	
Developer Contributions	2,000,000	22,000,000				
Total	\$ 52,632,903	\$ 34,736,437	\$ 13,471,630	\$ 1,325,455	\$ 10,867,187	
<u>COSTS:</u>						
Law Enforcement	\$ -	\$ 2,080,582	\$ 1,008,959	\$ -	\$ -	
Public Works	2,000,000	2,849,798	-	-	-	
Education	-	-	-	-	6,580,158	
Fire Protection/EMS	-	2,502,918	-	-	-	
Total	\$ 2,000,000	\$ 7,433,298	\$ 1,008,959	\$ -	\$ 6,580,158	
Surplus/(Deficit)	\$ 50,632,903	\$ 27,303,138	\$ 12,462,671	\$ 1,325,455	\$ 4,287,029	

APPENDIX 1
BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST
AT FULL DEVELOPMENT

<u>YEAR</u>	<u>USE TYPE</u>	<u>SQUARE FEET CONSTRUCTED</u>	<u>ESTIMATED CONSTR. COST</u>	<u>ESTIM. CONSTR. MATERIALS COST</u>	<u>FF&E PURCHASES</u>
Year 1	Casino	29,283	\$ 23,805,297	\$ 6,048,891	\$ -
	Hotel	70,275	57,128,649	14,516,306	-
	Restaurants	19,685	16,002,525	4,066,218	-
	Entertainment	21,633	17,586,384	4,468,674	-
	Health Club/Spa	620	504,017	128,070	-
	Retail	<u>2,012</u>	<u>1,635,344</u>	<u>415,539</u>	<u>-</u>
Subtotal		143,508	116,662,216	29,643,699	-
Year 2	Casino	58,567	24,195,565	12,097,783	36,427,676
	Hotel	140,550	58,065,226	29,032,613	15,425,324
	Restaurants	39,370	16,264,873	8,132,437	4,320,847
	Entertainment	43,267	17,874,698	8,937,349	4,748,505
	Health Club/Spa	1,240	512,279	256,140	136,090
	Retail	<u>4,023</u>	<u>1,662,154</u>	<u>831,077</u>	<u>441,560</u>
Subtotal		287,017	118,574,796	59,287,398	61,500,000
TOTAL		430,525	\$ 235,237,012	\$ 88,931,097	\$ 61,500,000

APPENDIX 1, ASSUMPTIONS:

1. Construction of the development is estimated to take 24 months (September 2008 to September 2010).

	Sq. Footage	Other Information
Casino	87,850	2,000 slot machines, 65 table games
Hotel	210,825	132 guest rooms and 172 suites
Restaurants	59,055	restaurants and bars
Entertainment	64,900	sporting event/convention space
Health Club/Spa	1,860	
Retail	<u>6,035</u>	
Total	430,525	

Source: Developer's application (final template).

2. Construction costs are estimated using above square footages and cost breakdown provided by the developer in its template document (land is added in year 1, 33% of buildings are added in year 1 and remainder in year 2, FF&E added in year 2):

	Land	Building	FF&E*	Total**
	\$ 57,374,818	\$ 177,862,194	\$ 61,500,000	\$ 296,737,012

*FF&E-furniture, fixtures and equipment, including gaming equipment which is allocated to casino.

**Total amounts do not equal investment amounts as the analysis excludes soft costs such as engineering, architecture, finance and administration costs for property tax calculation purposes.

Source: Developer's application (final template).

3. Construction materials cost estimated at **50%** of building costs. This cost is estimated for sales tax purposes. Source: Discussions with commercial developers in Nevada.

APPENDIX 2
ESTIMATED PROPERTY TAX REVENUE AT
2007 PROPERTY TAX RATE

<u>YEAR</u>	<u>USE TYPE</u>	<u>EST. REAL PROPERTY VALUE</u>	<u>EST. PERSONAL PROPERTY VALUE</u>	<u>CUMULATIVE PROPERTY VALUE</u>	<u>ESTIMATED ASSESSED VALUE</u>	<u>WELLINGTON SCHOOL DIST. REVENUE</u>	<u>CITY OF WELLINGTON REVENUE</u>	<u>SUMNER COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Casino	\$ 23,805,297	\$ -	\$ 23,805,297	\$ 5,951,324				
	Hotel	57,128,649	-	57,128,649	14,282,162				
	Restaurants	16,002,525	-	16,002,525	4,000,631				
	Entertainment	17,586,384	-	17,586,384	4,396,596				
	Health Club/Spa	504,017	-	504,017	126,004				
	Retail	1,635,344	-	1,635,344	408,836				
Subtotal		116,662,216	-	116,662,216	29,165,554	\$ 1,750,371	\$ 1,450,082	\$ 1,646,075	\$ 43,748
Year 2	Casino	24,195,565	36,427,676	85,142,697	21,285,674				
	Hotel	58,065,226	15,425,324	132,333,058	33,083,265				
	Restaurants	16,264,873	4,320,847	37,068,321	9,267,080				
	Entertainment	17,874,698	4,748,505	40,737,178	10,184,294				
	Health Club/Spa	512,279	136,090	1,167,506	291,877				
	Retail	1,662,154	441,560	3,788,118	947,030				
Subtotal		118,574,796	61,500,000	300,236,878	75,059,220	\$ 4,504,679	\$ 3,731,869	\$ 4,236,267	\$ 112,589
Year 3	Casino	-	-	86,604,148	21,651,037				
	Hotel	-	-	135,840,290	33,960,073				
	Restaurants	-	-	38,050,745	9,512,686				
	Entertainment	-	-	41,816,838	10,454,209				
	Health Club/Spa	-	-	1,198,449	299,612				
	Retail	-	-	3,888,515	972,129				
Subtotal		-	-	307,398,985	76,849,746	\$ 4,612,138	\$ 3,820,893	\$ 4,337,323	\$ 115,275
TOTAL		\$ 235,237,012	\$ 61,500,000			\$ 10,867,187	\$ 9,002,844	\$ 10,219,665	\$ 271,612

APPENDIX 2, ASSUMPTIONS:

1. Tax rate will remain constant at 2007 amount:

Entity-Fund	Tax Rate*	*rate per \$1,000 of assessed value.
School District	\$ 60.0150	
City	\$ 49.7190	
County	\$ 56.4390	
State	\$ 1.5000	

Source: "Sumner County 2007 Levies," provided by Shane Shields, Sumner County Clerk. Rates include all funds for which property tax revenues are collected.

2. Properties are valued using the fair market value approach. As no comparable sales data exists and this is considered to be a "new and unique" property, the analysis uses the replacement cost approach to value these properties. Source: "A Homeowner's Guide to Property Tax in Kansas." Kansas Department of Revenue.

3. Assessed value estimated at **25%** of appraised value for both real and personal property.

Source: "Treasurer/Clerk" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

4. Appraised value is inflated 3% annually for real property and not inflated for personal property to account for depreciation.

**APPENDIX 3
SALES TAX REVENUE**

<u>YEAR</u>		<u>SQUARE FT. BUILT</u>	<u>CONSTRUCTION MATERIALS COST (\$)</u>	<u>FF&E PURCHASES</u>	<u>RETAIL SALES</u>	<u>TOTAL TAXABLE SALES</u>	<u>CITY OF WELLINGTON REVENUE</u>	<u>SUMNER COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
Year 1	Casino	29,283	\$ 6,048,891	\$ -	\$ -	\$ 6,048,891			
	Hotel	70,275	14,516,306	-	-	14,516,306			
	Restaurants	19,685	4,066,218	-	-	4,066,218			
	Entertainment	21,633	4,468,674	-	-	4,468,674			
	Health Club/Spa	620	128,070	-	-	128,070			
	Retail	2,012	415,539	-	-	415,539			
Subtotal		143,508	29,643,699	-	-	29,643,699	\$ 370,546	\$ 296,437	\$ 1,571,116
Year 2	Casino	58,567	12,097,783	36,427,676	-	48,525,458			
	Hotel	140,550	29,032,613	15,425,324	-	44,457,937			
	Restaurants	39,370	8,132,437	4,320,847	-	12,453,283			
	Entertainment	43,267	8,937,349	4,748,505	-	13,685,854			
	Health Club/Spa	1,240	256,140	136,090	-	392,229			
	Retail	4,023	831,077	441,560	-	1,272,637			
Subtotal		287,017	59,287,398	61,500,000	-	120,787,398	\$ 1,509,842	\$ 1,207,874	\$ 6,401,732
Year 3	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	36,885,394	36,885,394			
	Entertainment	-	-	-	744,936	744,936			
	Health Club/Spa	-	-	-	-	-			
	Retail	-	-	-	4,589,586	4,589,586			
Subtotal		-	-	-	42,219,916	42,219,916	\$ 527,749	\$ 422,199	\$ 2,237,656
TOTAL		430,525	\$ 88,931,097	\$ 61,500,000	\$ 42,219,916	\$ 192,651,013	\$ 2,408,138	\$ 1,926,510	\$ 10,210,504

APPENDIX 3, ASSUMPTIONS:

- Sales tax rate is as follows:

	<u>Designation</u>
1.250%	City
1.000%	County
5.300%	State
7.550%	TOTAL

Source: "All Jurisdictions and Rates in this Zip Code." Kansas Department of Revenue.
- Materials Cost - 50% of construction cost is assumed to be materials cost.
Source: Discussion with Nevada contractors
- Retail sales based on \$ **760** per square foot. Source: Developer's template for first year retail revenue divided by retail square footage.
F&B sales based on \$ **625** per square foot. Source: Developer's template for first year F&B revenue divided by F&B square footage.
Entertainment sales based on \$ **11.48** per square foot. Source: Developer's template for first year entertainment revenue divided by entert. square footage.
- Year 3 assumes first full year of operation.

APPENDIX 4
LOTTERY GAMING CONTRIBUTION REVENUE

<u>YEAR</u>		<u>ESTIMATED GAMING REVENUE</u>	<u>CITY OF WELLINGTON REVENUE</u>	<u>SUMNER COUNTY REVENUE</u>	<u>SEDGWICK COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>	<u>STATE PROB. GAMBLING REVENUE</u>
Year 1	Casino	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	Casino	-	-	-	-	-	-
Year 3	Casino	132,545,500	1,325,455	1,325,455	1,325,455	29,160,010	2,650,910
TOTAL		\$ 132,545,500	\$ 1,325,455	\$ 1,325,455	\$ 1,325,455	\$ 29,160,010	\$ 2,650,910

APPENDIX 4, ASSUMPTIONS:

1. Estimated Gross Gaming Revenue (GGR) is the average GGR estimated in Wells and Cummings reports:

Wells GGR \$ 134,991,000

Cummings GGR 130,100,000

Average \$ 132,545,500

Source: "Kansas Casino Market Study" by Wells Gaming Research dated July 7, 2008 and "Projections for Likely Gaming Revenues" by Cummings Associates dated July 7, 2008.

2. Local government revenue is estimated as follows:

State of Kansas **22%** of all lottery gaming revenues.

State Prob. Gambling **2%** of all lottery gaming revenues.

Sumner County **1%** of all lottery gaming revenues.

Sedgwick County **1%** of all lottery gaming revenues.

City of Wellington **1%** of all lottery gaming revenues.

Source: SB 66.

3. Year 3 assumes first full year of operation.

APPENDIX 5
STATE INCOME TAX REVENUE

<u>YEAR</u>		<u>ESTIMATED PAYROLL EXPENDITURES</u>	<u>ESTIMATED PAYROLL/ EMPLOYEE</u>	<u>STATE OF KANSAS INCOME TAX REVENUE</u>
Year 1	Construction	\$ 57,724,113	\$ 39,029	\$ 3,024,378
	Operating	-	-	-
Subtotal		57,724,113	39,029	3,024,378
Year 2	Construction	57,724,113	39,029	3,024,378
	Operating	-	-	-
Subtotal		57,724,113	39,029	3,024,378
Year 3	Construction	-	-	-
	Operating	46,656,000	30,695	2,291,112
Subtotal		46,656,000	30,695	2,291,112
TOTAL		\$ 162,104,226	\$ 108,753	\$ 8,339,868

APPENDIX 5, ASSUMPTIONS:

- Estimated construction payroll is provided by the Developer at \$ 115,448,226
during the construction phase of the project. This includes salaries only, no benefits are included.
A total of **1,479** construction employees are estimated annually.
Source: Developer's application (final template).
- Estimated on-going operating payroll is estimated at \$ 46,656,000 per year at full
operation. This includes salaries only, no benefit costs are included.
A total of **1,520** employees are estimated annually.
Source: Developer's application (final template).
- Personal income tax revenue for the State is estimated as follows, using a 2007 schedule:
For a single person:
Taxable income between \$0 and \$15,000 is taxed at 3.5%
Taxable income between \$15,000 and \$30,000 is taxed at 6.25% plus the tax calculated on the first \$15,000
Taxable income over \$30,000 is taxed at 6.45% plus the tax calculated on the first \$30,000
Source: Kansas Department of Revenue. 2007 Kansas Individual Income Tax schedule.

APPENDIX 6
SUMMARY OF ESTIMATED REVENUE

<u>YEAR</u>		<u>STATE OF KANSAS</u>	<u>SUMNER COUNTY</u>	<u>SEDGWICK COUNTY</u>	<u>CITY OF WELLINGTON</u>	<u>WELLINGTON SCHOOL DIST.</u>
Year 1	Property Tax	\$ 43,748	\$ 1,646,075	\$ -	\$ 1,450,082	\$ 1,750,371
	Sales Tax	1,571,116	296,437	-	370,546	-
	Gaming Revenue	-	-	-	-	-
	Income Tax Revenue	3,024,378	-	-	-	-
Subtotal		4,639,242	1,942,512	-	1,820,628	1,750,371
Year 2	Property Tax	112,589	4,236,267	-	3,731,869	4,504,679
	Sales Tax	6,401,732	1,207,874	-	1,509,842	-
	Gaming Revenue	-	-	-	-	-
	Income Tax Revenue	3,024,378	-	-	-	-
Subtotal		9,538,699	5,444,141	-	5,241,712	4,504,679
Year 3	Property Tax	115,275	4,337,323	-	3,820,893	4,612,138
	Sales Tax	2,237,656	422,199	-	527,749	-
	Gaming Revenue	31,810,920	1,325,455	1,325,455	1,325,455	-
	Income Tax Revenue	2,291,112	-	-	-	-
Subtotal		36,454,962	6,084,977	1,325,455	5,674,096	4,612,138
TOTAL		\$ 50,632,903	\$ 13,471,630	\$ 1,325,455	\$ 12,736,437	\$ 10,867,187

APPENDIX 6, ASSUMPTIONS:

1. State of Kansas revenue includes 2% gaming contribution revenue for problem gambling fund.

**APPENDIX 7
CITY OF WELLINGTON
STREETS DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u>ROAD MILES ADDED</u>	<u>ANNUAL MAINTENANCE COST/MILE</u>	<u>TOTAL MAINTENANCE COST</u>
Year 1	0.0	\$ 10,671	\$ -
Year 2	0.5	10,991	5,495
Year 3	0.0	11,321	5,660
TOTAL	0.5	\$ 32,982	\$ 11,156

APPENDIX 7, ASSUMPTIONS:

1. A total of **0.5** mile of Seneca Street will be annexed to the City for maintenance. Source: "Public Works-Streets" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas
2. Maintenance cost per mile is estimated at \$ **10,671** inflated 3% annually. Source: "Public Works-Streets" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

APPENDIX 8
CITY OF WELLINGTON
WASTEWATER TREATMENT DEPARTMENT COST PROJECTIONS

<u>YEAR</u>	<u># OF NEW EMPLOYEES</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	0	\$ -	\$ -	\$ -	-
Year 2	0	-	-	209,528	209,528
Year 3	2	87,566	41,549	-	129,114
TOTAL	2	\$ 87,566	\$ 41,549	\$ 209,528	\$ 338,642

APPENDIX 8, ASSUMPTIONS:

- A total of **2** new Wastewater Operators will be required to service the development.
Source: "Wastewater Treatment" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.
- Salary for new positions is estimated at \$ **13.60** per hour, based on the average of salary levels for this position.
Salary is inflated 6% annually, 2% COLA and 4% merit increase.
Source: "Wastewater Treatment" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.
- Benefits are estimated at **30%** of salary costs.
Source: "Wastewater Treatment" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.
- Employee costs include a uniform allowance at \$ **5.50** per employee per week and training/testing costs of \$ **500** per employee per year. These costs are not added as they are estimated to be included under Services/Supplies above. Source: "Wastewater Treatment" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.
- Services/supplies are estimated at **47%** of salaries and benefits.

	2006	2007	2008	Average
Personnel Services	\$ 188,040	\$ 191,737	\$ 191,649	\$ 190,475
Contractual	34,183	36,000	36,000	35,394
Commodities	54,652	55,150	55,150	54,984
% of PS	47%	48%	48%	47%

Source: City of Wellington Budget. Three year average contractual and commodities costs as percent of personnel services costs (2006-2008) for the Sewage Treatment department.
- The following capital costs are expected to be incurred in 2008, inflated 3% annually:

Pickup truck	\$ 27,500
Cleaning/vacuum truck	150,000
Bobcat equipment	20,000
	\$ 197,500

Source: "Wastewater Treatment" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

**APPENDIX 9
CITY OF WELLINGTON
POLICE DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u># OF NEW EMPLOYEES</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL CONSTR./ EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	0	\$ -	\$ -	\$ -	-
Year 2	0	-	-	1,485,260	1,485,260
Year 3	7	432,629	52,874	109,819	595,322
TOTAL	7	\$ 432,629	\$ 52,874	\$ 1,595,079	\$ 2,080,582

APPENDIX 9, ASSUMPTIONS:

1. A total of **7** new employees will be required to service the development:

	# of Employees	Salary/Benefits	Total Cost
Officers	5	\$ 57,773	288,865
Detective	1	57,773	57,773
Records Clerk	1	37,968	37,968
Total	7		\$ 384,606

Salary and benefits costs are increased 4% annually.

Source: "Police" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

2. Employee costs include a uniform allowance at **\$ 3,000** per officer. This cost is not added as it is estimated to be included under Services/Supplies above.

Source: "Police" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

3. Services/supplies are estimated at **12%** of salaries and benefits.

	2006	2007	2008	Average
Personnel Services	\$ 1,113,342	\$ 1,126,621	\$ 1,119,986	\$ 1,119,983
Contractual	79,164	78,660	81,722	79,849
Commodities	50,628	61,085	59,375	57,029
% of PS	12%	12%	13%	12%

Source: City of Wellington Budget. Three-year average contractual and commodities costs as percent of personnel services costs (2006-2008) for the Police department.

4. The following capital costs are expected to be incurred:

A total of 3 police vehicles at a cost of **\$ 33,500** per vehicle.

A substation will be constructed to add approximately **2,000** square feet of space.

Source: "Police" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

Construction cost is estimated at **\$ 150** per square foot. Source: Previous FI analyses conducted by MBA.

Furniture, fixtures and equipment (FF&E) costs are estimated at **\$ 1,100,000** Source: "Fire/EMS" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas. The new police substation is expected to share the space with the fire station.

Construction and FF&E costs are inflated 3% annually.

**APPENDIX 10
CITY OF WELLINGTON
FIRE DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u># OF NEW EMPLOYEES</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	0	\$ -	\$ -	\$ -	-
Year 2	0	-	-	1,469,347	1,469,347
Year 3	16	915,938	117,634	-	1,033,572
TOTAL	16	\$ 915,938	\$ 117,634	\$ 1,469,347	\$ 2,502,918

APPENDIX 10, ASSUMPTIONS:

1. A total of **16** new employees will be required to service the development:

	# of Employees	Salary	Benefits	Total Cost
Captain	3	\$ 40,945	\$ 14,065	165,029
Lieutenant	6	38,553	13,243	310,772
Firefighter/EMICT	3	35,890	12,328	144,655
Firefighter/EMS	3	35,235	12,103	142,015
Fire Prevention Officer	<u>1</u>	<u>38,553</u>	<u>13,243</u>	51,795
Total	16			\$ 814,265

Salary and benefits costs are increased 4% annually. Benefits are estimated at **34%** of salary.

Salary amounts are averages for each positions' salary range.

Source: "Fire/EMS" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

2. Employee costs include a uniform and training cost of \$ **12,000** a year. This cost is not added as it is estimated to be included under Services/Supplies above.

Source: "Fire/EMS" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

3. Services/supplies are estimated at **13%** of salaries and benefits.

	2006	2007	2008	Average
Personnel Services	\$ 1,279,805	\$ 1,296,456	\$ 1,326,777	\$ 1,301,013
Contractual	81,533	81,873	93,846	85,751
Commodities	75,267	83,250	85,500	81,339
% of PS	12%	13%	14%	13%

Source: City of Wellington Budget. Three year average contractual and commodities costs as percent of personnel services costs (2006-2008) for the Fire & Ambulance department.

4. The following capital costs are expected to be incurred:

Aerial Platform	\$ 1,000,000
Ambulance	200,000
Rescue Truck	<u>185,000</u>
	\$ 1,385,000

inflated 3% annually.

Source: "Fire/EMS" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

A new fire station will be required and will share space with the new police substation. Costs are shown for Police Department, Appendix 9.

**APPENDIX 11
CITY OF WELLINGTON
ELECTRIC DISTRIBUTION DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u>TOTAL COST OF IMPROVEMENTS</u>	<u>% ATTRIBUTED TO DEVELOPMENT</u>	<u>TOTAL DEVELOPMENT COST</u>
Year 1	\$ -	0%	\$ -
Year 2	6,030,000	41%	2,500,000
Year 3	-	0%	-
TOTAL	\$ 6,030,000		\$ 2,500,000

APPENDIX 11, ASSUMPTIONS:

1. The following Electric Distribution department improvements are required:

Short-Term Improvements

69 kV switching station	\$ 825,000
Construction of 5.5 miles of 69 kV lines	660,000
69-13.2 substation with 3-13.2 kV bays	600,000
20/25 MVA 69-13.2 kV transformer	1,200,000
Construction of 3-13.2 kV feeders	165,000
Padmount transformers and underground feeder	300,000

Long Term Improvements

69-13.2 substation at turbine site	520,000
20/25 69-13.2 kV transformer	1,200,000
13.2 kV tie to gas turbine substation	25,000
Tie from 69 kV switchyard to gas turbine switchyard	35,000
Complete 69 kV loop between substations	500,000

Total Cost \$ 6,030,000

Source: "Electric Distribution" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

2. Approximately \$ **2,500,000** of all improvements or **41%** will be attributed to the casino development. Source: Conversations with Gus Collins, City Manager, Wellington, Kansas.

**APPENDIX 12
CITY OF WELLINGTON
GOLF CLUB REVENUE AND COST PROJECTIONS**

<u>YEAR</u>	<u>ESTIMATED REVENUE</u>	<u># OF NEW EMPLOYEES</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>REQUIRED CONTRIBUTION</u>
Year 1	\$ -	0	\$ -	\$ -	\$ -
Year 2	-	0	-	-	-
Year 3	572,886	27	671,674	423,029	521,817
TOTAL	\$ 572,886		\$ 671,674	\$ 423,029	\$ 521,817

APPENDIX 12, ASSUMPTIONS:

1. Revenue generated by the golf course renovation is estimated at \$ **540,000** a year.
Source: Letter dated May 16, 2008 from the Wellington Golf Club addressed to Gus Collins, City Manager, Wellington, Kansas.
Revenue inflated 3% annually starting in Year 1.

2. A total of **27** new employees will be required to service the development:

	# of Employees	Ave. Salary/Benefits	Total Cost
Assistant Golf Pro	3	\$ 35,000	\$ 105,000
Golf Course Mechanic	1	35,000	35,000
Assistant Course Superintendent	1	35,000	35,000
Golf Course Laborers	6	35,000	210,000
Grill Staff	4	35,000	140,000
Part Time Staff	<u>12</u>	<u>8,000</u>	<u>96,000</u>
Total	27	\$	621,000

- Average full time employee salary and benefits estimated at \$ **35,000** and for part time employees at \$ **8,000** a year, inflated 4% annually.

Source: Letter dated May 16, 2008 from the Wellington Golf Club addressed to Gus Collins, City Manager, Wellington, Kansas.

3. Services/supplies are estimated at **63%** of salaries and benefits.

	2006	2007	2008	Average
Personnel Services	\$ 188,443	\$ 206,621	\$ 216,447	\$ 203,837
Contractual	50,205	55,425	55,875	53,835
Commodities	72,233	72,900	78,500	74,544
% of PS	65%	62%	62%	63%

Source: City of Wellington Budget. Three-year average contractual and commodities costs as percent of personnel services costs (2006-2008) for the Golf Fund.

**APPENDIX 13
CITY OF WELLINGTON
SUMMARY OF ESTIMATED COSTS**

<u>YEAR</u>	<u>STREETS DEPARTMENT</u>	<u>WASTEWATER DEPARTMENT</u>	<u>POLICE DEPARTMENT</u>	<u>FIRE/EMS DEPARTMENT</u>	<u>ELECTRIC DISTRIBUTION</u>	<u>GOLF CLUB</u>	<u>ADMIN. OVERHEAD</u>	<u>TOTAL COSTS</u>
Year 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year 2	5,495	209,528	1,485,260	1,469,347	2,500,000	-	1,167,933	6,837,563
Year 3	5,660	129,114	595,322	1,033,572	-	521,817	470,806	2,756,291
TOTAL	\$ 11,156	\$ 338,642	\$ 2,080,582	\$ 2,502,918	\$ 2,500,000	\$ 521,817	\$ 1,638,739	\$ 9,593,854

APPENDIX 13, ASSUMPTIONS:

1. See Appendices 7-12 for detailed calculations of all department costs.
2. Administrative overhead costs estimated at **21%** of all department costs estimated in this analysis.
Source: City of Wellington Budget. Three-year average indirect costs as percent of direct costs (2006-2008) for the General Fund.

Direct	2006	2007	2008	Average
Police	1,254,091	1,273,666	1,317,991	1,281,916
Fire/Ambulance	1,443,305	1,469,579	1,506,123	1,473,002
Auditorium	39,030	31,700	30,500	33,743
Park	212,473	240,515	243,470	232,153
Swimming Pool	40,927	26,425	44,100	37,151
Street	717,887	828,742	886,689	811,106
Cemetery	77,933	97,264	105,958	93,718
Engineering	304,034	320,833	335,425	320,097
Legal	124,565	129,395	131,522	128,494
Lake	120,439	145,024	144,237	136,567
Total	4,334,684	4,563,143	4,746,015	4,547,947
Indirect	2006	2007	2008	Average
Mayor/Council	14,709	21,221	21,521	19,150
City Manager	110,341	137,345	183,057	143,581
City Clerk	278,651	294,493	318,137	297,094
Utility Collections	247,651	280,901	284,417	270,990
Public Works	84,277	88,296	98,176	90,250
General Services	69,527	79,005	71,216	73,249
Janitorial	43,487	44,577	39,601	42,555
Total	848,643	945,838	1,016,125	936,869
% Indirect of Direct	20%	21%	21%	21%

**APPENDIX 14
SUMNER COUNTY
SHERIFF DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u># OF NEW EMPLOYEES</u>	<u>SALARIES & BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL CONSTR./ EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	0	\$ -	\$ -	\$ -	-
Year 2	0	-	-	-	-
Year 3	9	577,055	367,007	64,897	1,008,959
TOTAL	9	\$ 577,055	\$ 367,007	\$ 64,897	\$ 1,008,959

APPENDIX 14, ASSUMPTIONS:

1. A total of **9** new employees will be required to service the development:

	# of Employees	Total Cost*
Patrol Officers	3	\$ 217,500
Detective	1	73,000
Detention Officers	5	222,500
Total	9	\$ 513,000

*Total Cost includes salary and benefits. Salary and benefits costs are increased 4% annually.

Source: Gerald Gilkey, Sumner County Sheriff.

3. Services/supplies and capital outlay are estimated as follows:

	2006	2005	Average
Personnel Services	\$ 939,491	\$ 863,355	\$ 901,423
Contractual (CC)	126,985	96,645	111,815
Commodities (CC)*	477,795	445,184	461,490
Capital Outlay (CO)	108,784	93,967	101,376
CC % of PS	64%	63%	64%
CO % of PS	12%	11%	11%

*Includes other jail expenses, juvenile detention, reimbursements and prisoner board costs.

Source: "Sumner County, Kansas Annual Financial Report" December 31, 2006. Two-year average (2005-2006) for the Sheriff's Department.

**APPENDIX 15
WELLINGTON SCHOOL DISTRICT
ESTIMATED COSTS**

<u>YEAR</u>	<u>SALARIES/ BENEFITS COSTS</u>	<u>SERVICES/ SUPPLIES COSTS</u>	<u>CAPITAL CONSTRUCTION COSTS</u>	<u>ESTIMATED TOTAL COSTS</u>
Year 1	\$ -	\$ -	\$ -	\$ -
Year 2	-	-	5,000,000	5,000,000
Year 3	1,316,798	263,360	-	1,580,158
TOTAL	\$ 1,316,798	\$ 263,360	\$ 5,000,000	\$ 6,580,158

APPENDIX 15, ASSUMPTIONS:

1. A new elementary school could possibly be required with the following positions and salaries due to the casino/hotel development.

Position	# of Employees	Salary Costs	Benefits Costs	Total Costs
Teachers	20	\$ 40,000	\$ 10,000	\$ 1,000,000
Para-profess.	5	10,000	-	50,000
School Admin.	<u>1</u>	70,000	17,500	87,500
	26		\$	1,137,500

Source: Rick Weiss, Superintendent, Wellington School District.

Benefits estimated at 30% of salary. Source: Previous fiscal impact studies conducted by MBA.

No benefits estimated for paraprofessional employees as they are assumed to be part-time employees.

Salaries are inflated **5%** annually.

Source: Rick Weiss, Superintendent, Wellington School District.

2. School services and supplies are estimated at **20%** of salary/benefits costs. Source: Previous fiscal impact studies conducted by MBA.
3. A new school will be required to absorb the increased student population. Costs are estimated at **\$ 5,000,000** and will include construction and furniture, fixtures and equipment (FF&E) costs. Source: Rick Weiss, Superintendent, Wellington School District.

APPENDIX 16
COMPARISON OF ESTIMATED REVENUE TO
ESTIMATED COSTS AND CUMULATIVE REVENUE SURPLUS

CITY OF WELLINGTON

<u>YEAR</u>	<u>PROJECT REVENUE</u>	<u>PROJECT COSTS</u>	<u>ANN'L REVENUE SURPLUS/ (DEFICIT)</u>	<u>CUMUL. SURPLUS/ (DEFICIT)</u>
Year 1	\$ 1,820,628	\$ -	\$ 1,820,628	\$ 1,820,628
Year 2	5,241,712	6,837,563	(1,595,851)	224,777
Year 3	5,674,096	2,756,291	2,917,805	3,142,583
TOTAL	\$ 12,736,437	\$ 9,593,854	\$ 3,142,583	

SUMNER COUNTY

<u>YEAR</u>	<u>PROJECT REVENUE</u>	<u>PROJECT COSTS*</u>	<u>ANN'L REVENUE SURPLUS/ (DEFICIT)</u>	<u>CUMUL. SURPLUS/ (DEFICIT)</u>
Year 1	\$ 1,942,512	\$ -	\$ 1,942,512	\$ 1,942,512
Year 2	5,444,141	-	5,444,141	7,386,653
Year 3	6,084,977	1,008,959	5,076,018	12,462,671
TOTAL	\$ 13,471,630	\$ 1,008,959	\$ 12,462,671	

*Only Sheriff department costs were estimated to compare to developer estimates; other impacts may include county roads, judicial, and other departments providing services to the development.

WELLINGTON SCHOOL DISTRICT

<u>YEAR</u>	<u>PROJECT REVENUE</u>	<u>PROJECT COSTS</u>	<u>ANN'L REVENUE SURPLUS/ (DEFICIT)</u>	<u>CUMUL. SURPLUS/ (DEFICIT)</u>
Year 1	\$ 1,750,371	\$ -	\$ 1,750,371	\$ 1,750,371
Year 2	4,504,679	5,000,000	(495,321)	1,255,050
Year 3	4,612,138	1,580,158	3,031,979	4,287,029
TOTAL	\$ 10,867,187	\$ 6,580,158	\$ 4,287,029	

STATE OF KANSAS

<u>YEAR</u>	<u>PROJECT REVENUE</u>	<u>PROJECT COSTS*</u>	<u>ANN'L REVENUE SURPLUS/ (DEFICIT)</u>	<u>CUMUL. SURPLUS/ (DEFICIT)</u>
Year 1	\$ 4,639,242	\$ -	\$ 4,639,242	\$ 4,639,242
Year 2	9,538,699	-	9,538,699	14,177,941
Year 3	36,454,962	-	36,454,962	50,632,903
TOTAL	\$ 50,632,903	\$ -	\$ 50,632,903	

*No costs associated with this development are estimated for the State of Kansas on the assumption that all gaming facility-related costs will be covered by revenue generated by the development. However, it is expected that costs will be incurred by the Highway Patrol, Department of Transportation (highway maintenance), Department of Racing and Gaming, and the Kansas Lottery among others.